

**PUBLIC DISCLOSURE**

**August 3, 2010**

**MORTGAGE LENDER COMMUNITY INVESTMENT  
PERFORMANCE EVALUATION**

**LEADER MORTGAGE COMPANY, INC.  
ML 2619**

**180 MASSACHUSETTS AVENUE  
ARLINGTON, MASSACHUSETTS 02474**

**DIVISION OF BANKS  
1000 WASHINGTON STREET  
BOSTON, MA 02118**

<b>NOTE:</b>	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this mortgage lender. The rating assigned to this mortgage lender does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this mortgage lender.
--------------	--

## GENERAL INFORMATION

Massachusetts General Laws chapter 255E, section 8 and the Division of Banks' ("Division") regulation 209 CMR 54.00, Mortgage Lender Community Investment ("MLCI"), require the Division to use its authority, when examining mortgage lenders subject to its supervision who have made 50 or more home mortgage loans in the last calendar year, to assess a mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth, including low- and moderate-income neighborhoods and individuals, consistent with the safe and sound operation of the mortgage lender. Upon conclusion of such examination, the Division must prepare a written evaluation of the mortgage lender's record of meeting the credit needs of the Commonwealth.

This document is an evaluation of the MLCI performance of **Leader Mortgage Company, Inc. ("Leader Mortgage")** prepared by the Division, the mortgage lender's supervisory agency, as of **August 3, 2010**.

## SCOPE OF EXAMINATION

An onsite evaluation was conducted using examination procedures, as defined by MLCI. A review of the Division's records, as well as the mortgage lender's public MLCI file, did not reveal any complaints relating to Leader Mortgage's MLCI performance.

The MLCI examination included a comprehensive review and analysis, as applicable, of Leader Mortgage's:

- (a) origination of loans and other efforts to assist low and moderate income residents, without distinction, to be able to acquire or to remain in affordable housing at rates and terms that are reasonable considering the lender's history with similarly situated borrowers, the availability of mortgage loan products suitable for such borrowers, and consistency with safe and sound business practices;
- (b) origination of loans that show an undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units;
- (c) efforts working with delinquent residential mortgage customers to facilitate a resolution of the delinquency; and
- (d) other efforts, including public notice of the scheduling of examinations and the right of interested parties to submit written comments relative to any such examination to the Commissioner, as, in the judgment of the Commissioner, reasonably bear upon the extent to which a mortgage lender is complying with the requirements of fair lending laws and helping to meet the mortgage loan credit needs of communities in the Commonwealth.

MLCI examination procedures were used to evaluate Leader Mortgage's community investment performance. These procedures utilize two performance tests: the Lending Test and the Service Test. This evaluation considered Leader Mortgage's lending and community development activities for the period of January 2008 through December 2009, unless otherwise noted. The data and applicable timeframes for the Lending Test and the Service Test are discussed below.

The Lending Test evaluates the Mortgage Lender's community investment performance pursuant to the following five criteria: geographic distribution of loans, lending to borrowers of different incomes, innovative and flexible lending practices, fair lending, and loss of affordable housing.

The MLCI evaluation includes an analysis of the mortgage loans reportable under the Home Mortgage Disclosure Act ("HMDA") for 2008 and 2009. The residential loan data was obtained from the Loan Application Registers ("LAR") maintained by Leader Mortgage pursuant to HMDA.

Home mortgage lending for 2008 and 2009 is presented in the following tables: geographic distribution, lending to borrowers of different incomes and the minority application flow. Comparative analysis is provided for the mortgage lender's 2008 lending performance as this is the most recent year for which aggregate HMDA lending data is available; 2009 aggregate data became available subsequently and has been added. The aggregate lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all HMDA reporting lenders which originated loans in Massachusetts.

In addition to gathering and evaluating statistical information relative to a mortgage lender's loan volume, the MLCI examination also reflects an in depth review of the entity's mortgage lending using qualitative analysis, which includes, but is not limited to: an assessment of the suitability and sustainability of the mortgage lender's loan products by reviewing the lender's internally maintained records of delinquencies and defaults as well as information publicly available through the Federal Reserve Banks and through local Registries of Deeds and through other sources available to the examination team. The examination included inspection of individual loan files for review of compliance with consumer protection provisions and scrutiny of these files for the occurrence of disparate treatment based on a prohibited basis.

The Service Test evaluates the mortgage lender's record of helping to meet mortgage credit needs by analyzing the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products, the extent and innovativeness of its community development services, and, if applicable, loss mitigation services to modify loans and/or efforts to keep delinquent home borrowers in their homes.

**MORTGAGE LENDER'S MLCI RATING:**

**This mortgage lender is rated "Needs to Improve."**

- The geographic distribution of the lender's loans reflects a less than reasonable dispersion in low- and moderate-income Census tracts.
- The distribution of borrowers reflects, given the demographics of Massachusetts, a less than reasonable record of serving the credit needs among individuals of different income levels, include low- and moderate-income.
- The mortgage lender offers a limited number of flexible lending programs to the customers it serves.
- The mortgage lender had a limited number of Community Development services.
- Fair lending policies and practices are considered adequate. No complaints were received during the evaluation period.

Additionally, the MLCI requires that certain categories of serious violations of consumer protection laws and regulations be considered in determining a final MLCI rating. The examination of Leader Mortgage revealed a significant number of violations with regard to the proper licensing of loan originators.

## **PERFORMANCE CONTEXT**

### **Description of Mortgage Lender**

Leader Mortgage, a privately held mortgage lender, was incorporated in Massachusetts on September 9, 1986, and provides residential conventional and jumbo mortgages throughout Massachusetts. The Division first licensed Leader Mortgage as a mortgage lender in January 1992. The mortgage lender offers lending services to consumers in Massachusetts, New Hampshire and Florida. The corporate office is located at 180 Massachusetts Avenue in Arlington, Massachusetts. The founder and current Chairman of the Board of Leader Mortgage, along with the President, is primarily responsible for the daily operations of the mortgage lender. While Leader Mortgage does not have a direct affiliation with Leader Bank, NA based in Arlington, Massachusetts, the Chairman of the Board is also a founding member and officer of Leader Bank and of its holding company, Leader Bancorp, Inc. The mortgage lender employs 10 Massachusetts licensed loan originators in addition to loan processors, administrative staff, and underwriters. The majority of business is obtained through referrals, previous customers, and real estate professionals. Applications are obtained via the telephone, internet or in person. Leader Mortgage is a Fannie Mae, Freddie Mac, FHA and MHFA approved lender.

Leader Mortgage is a retail lender in the Commonwealth engaging in the origination and sale of residential mortgage loans, secured primarily by one-to-four family residential properties, to consumers with "A" credit only. Loan originations are processed and documented at the mortgage lender's office and approved loans are funded through a warehouse line of credit with First Tennessee Bank or Commerce Bank and sold to secondary market investors such as Bank of America, Citi or Chase. Mortgages are sold without recourse and servicing rights are released.

For the examination period, 2008 and 2009, Leader Mortgage originated a total of 2,354 loans totaling \$705 million in Massachusetts.

### **Demographic Information**

The MLCI regulation requires mortgage lenders to be evaluated on their performance within the Commonwealth of Massachusetts. Demographic data is provided below to offer contextual overviews of economic climate along with housing and population characteristics for the Commonwealth of Massachusetts.

<b>DEMOGRAPHIC INFORMATION*</b>						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A
Geographies (Census Tracts)	1,361	8.4	21.7	46.1	23.4	0.4
Population by Geography	6,349,097	5.8	20.5	47.6	26.0	0.1
Owner-Occupied Housing by Geography	1,508,248	1.6	12.8	54.0	31.6	0.0
Family Distribution by Income Level	1,587,537	20.5	17.7	22.3	39.5	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	606,419	10.0	29.4	46.2	14.4	0.0
Median Family Income 2009 HUD Adjusted Median Family Income Households Below Poverty Level		\$65,318 \$82,684 9.8%	Median Housing Value Unemployment Rate		\$209,519  8.8%**	

\*Source: 2000 US Census

\*\*as of 7/2010

Low-income is defined as individual income that is less than 50 percent of the area median income. Moderate-income is defined as individual income that is at least 50 percent and less than 80 percent of the area median income. Middle-income is defined as individual income that is at least 80 percent and less than 120 percent of the area median income. Upper-income is defined as individual income that is more than 120 percent of the area median income.

There are 2.4 million households in the Commonwealth with a median household income of \$53,686 according to the 2000 Census. Over 40 percent of the households are classified as low and moderate-income. In addition, 9.8 percent of the total numbers of households are living below the poverty level. Individuals in these categories may find it challenging to qualify for traditional mortgage loan products.

Households classified as “families” total slightly over 1.5 million. Of all family households, 20.5 percent are low income, 17.7 percent are moderate income, 23.3 percent are middle income, and 39.5 percent are upper income. The median family income according to the 2000 census was \$65,318. The Housing and Urban Development (“HUD”) adjusted median family income is \$82,684. The adjusted median family income is updated yearly and takes into account inflation and other economic factors.

The Commonwealth of Massachusetts contains 1,361 census tracts. Of these, 114 or 8.4 percent are low-income; 295 or 21.7 percent are moderate-income; 628 or 46.1 percent are middle-income; 319 or 23.4 percent are upper-income; and 5 or 0.4 are NA or have no income designation. The five census tracts with no income designation are located in Bridgewater (a correctional facility), Boston (islands in Boston Harbor), Amherst (University of Massachusetts campus), Harvard (Fort Devens), and Grafton (Tufts Veterinary School). These census tracts contain no housing units and will not be included in this evaluation since they provide no lending opportunities.

The median housing value for Massachusetts was \$209,519 according to the 2000 Census. However, recent figures from The Warren Group, publishers of the Banker and Tradesman, show the median price for a single-family increased to \$300,500 in 2008 and experienced a drop of 5.2 percent to \$284,900 in 2009. Fluctuating housing values have a direct effect on the types of financial products adequate for homeowners and property buyers.

The unemployment rate for the Commonwealth of Massachusetts as of July 2010 was 8.8 percent, up from 7.7 percent in February 2009. This represents a significant increase from 2007 when the unemployment rate stood at 4.5 percent. Employment rates would tend to affect a borrower’s ability to remain current on mortgage loan obligations and also correlates to delinquency and default rates.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

Leader Mortgage's Lending Test performance was rated an overall "Needs to Improve." Leader Mortgage's lending efforts are rated under the five performance criteria: Geographic Distribution, Borrower Characteristics, Innovative or Flexible Lending Practices, Fair Lending Policies and Procedures, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the mortgage lending of Leader Mortgage.

#### *I. Geographic Distribution*

The geographic distribution of loans was reviewed to assess how Leader Mortgage is addressing the credit needs throughout the Commonwealth of Massachusetts' low-, moderate-, middle-, and upper-income Census tracts.

Leader Mortgage's distribution of lending in the Commonwealth when compared to the demographics and aggregate lending data was less than reasonable. The dispersion of lending in the Commonwealth includes low- and moderate-income geographies. The table below shows the distribution of HMDA-reportable loans by Census tract income.

Distribution of HMDA Loans by Income Category of the Census Tract							
Census Tract Income Level	% Total Owner-Occupied Housing Units	Leader Mortgage 2008		Aggregate Lending Data (% of #) 2008	Leader Mortgage 2009		Aggregate Lending Data (% of #) 2009
		#	%		#	%	
Low	1.6	5	0.8	2.2	14	0.8	1.5
Moderate	12.8	60	10.1	14.2	112	6.4	10.6
Middle	54.0	262	43.9	51.9	770	43.8	50.7
Upper	31.6	268	45.0	31.6	862	49.0	37.1
NA	0.0	1	0.2	0.1	0	0.0	.1
Total	100.0	596	100.0	100.0	1,758	100.0	100.0

Source: 2008 and 2009 HMDA Data and 2000 U.S. Census

Leader Mortgage's lending in low- and moderate-income tracts was below the aggregate's lending in those tracts in 2008. Leader Mortgage originated 0.8 percent of its loans in low-income tracts compared to the aggregate, which originated 2.2 percent. Leader Mortgage's lending in moderate-income census tracts at 10.1 percent was also below the aggregate at 14.2 percent.

When comparing Leader Mortgage's 2008 lending volume to the 2009 lending, Leader Mortgage has seen a large increase in the volume of total originations, almost tripling from 596 in 2008 to 1,758 in 2009. The increase in lending is due to an increase in the number of refinances. Lending in low-income tracts also increased in number, but maintained the same proportion of total lending. Lending in moderate-income tracts also increased by approximately 87 percent by number, but lost ground as a percentage of total lending. Overall, lending to low- and moderate-income Census tracts decreased from 2008 to 2009 as a percentage of total lending, as reflected in the performance of the aggregate.

Additional review was conducted focusing on Middlesex and Norfolk Counties as there was a significant concentration of lending in those counties; and the lender's physical presence is in Middlesex County. That review revealed results similar to those summarized above in that Leader Mortgage did not achieve parity with the aggregate. For 2008 and 2009, lending in low-income Census tracts represented 1.04 and .61 percent of aggregate lending, respectively. For Leader Mortgage, lending in low-income Census tracts for 2008 and 2009 was .68 and .16 percent, respectively. Lending in moderate-income Census tracts by the aggregate stood at 11.38 and 8.69 percent for 2008 and 2009, respectively, in these counties. Leader Mortgage had 9.52 percent in 2008 and 5.9 percent in 2009 of its lending in moderate-income Census tracts.

Leader Mortgage does not meet the standards for satisfactory performance under this criterion.

## **II. Borrower Characteristics**

The distribution of loans by borrower income levels was reviewed to determine the extent to which the mortgage lender is addressing the credit needs of the Commonwealth's residents.

The following table shows, by number, HMDA--reportable loans to low-, moderate-, middle- and upper-income borrowers in comparison to the aggregate and the percentage of total families within the Commonwealth in each respective income group.

<b>Distribution of HMDA Loans by Borrower Income</b>							
<b>Median Family Income Level</b>	<b>% Families</b>	<b>Leader Mortgage 2008</b>		<b>Aggregate Lending Data (% of #) 2008</b>	<b>Leader Mortgage 2009</b>		<b>Aggregate Lending Data (% of #) 2009</b>
		<b>#</b>	<b>%</b>		<b>#</b>	<b>%</b>	
<b>Low</b>	20.5	14	2.4	5.0	40	2.3	5.1
<b>Moderate</b>	17.7	71	11.9	16.9	190	10.8	16.6
<b>Middle</b>	22.3	155	26.0	23.8	535	30.4	23.7
<b>Upper</b>	39.5	342	57.4	37.9	967	55.0	39.7
<b>NA*</b>	0.0	14	2.3	16.4	26	1.5	14.9
<b>Total</b>	100.0	<b>596</b>	<b>100.0</b>	<b>100.0</b>	<b>1,758</b>	<b>100.0</b>	<b>100.0</b>

*Source: 2008 and 2009 HMDA Data and 2000 U.S. Census, \* Income Not Available*

As shown in the above table, Leader Mortgage's 2008 lending volume to low- and moderate income borrowers was below the aggregate. The number of loans originated to low- and moderate-income borrowers did increase significantly from 2008 to 2009, but not in proportion to the total increase, further widening the gap between Leader Mortgage's performance and that of the aggregate.

As described in the geographic distribution analysis, additional review was conducted focusing on Middlesex and Norfolk Counties. This review revealed results similar to those summarized above in that Leader Mortgage did not achieve parity with the aggregate. For 2008 and 2009, lending to low-income borrowers represented 4.92 and 4.73 percent of aggregate lending, respectively. In 2008 and 2009, Leader Mortgage's lending to low-income borrowers in these counties was 3.17 and 2.75 percent, respectively. Additionally, while lending to moderate-income borrowers by the aggregate stood at 15.37 and 15.33 percent, Leader Mortgage's originations stood at 12.93 percent in 2008 and 11.95 percent in 2009.

Leader Mortgage does not meet the standards for satisfactory performance under this criterion.



### **III. Innovative or Flexible Lending Practices**

Leader Mortgage offers a limited number of innovative and flexible products to address the credit needs of low- and moderate-income individuals or geographies.

The lender is direct endorsed by US Department of Housing and Urban Development ("HUD") to underwrite Federal Housing Administration ("FHA") insured mortgages and employs an FHA Direct Endorsed Underwriter. Leader Mortgage's current product mix includes MassHousing, Fannie Mae (FNMA), Freddie Mac (FHLMC) and FHA loans. All loan products are originated under investor guidelines and requirements as well as adherence to state legal requirements. The variety of flexible mortgage products offered by Leader Mortgage provide competitive interest rates and require smaller down payments for low- and moderate-income first time homebuyers and existing homeowners.

Leader Mortgage began offering FHA loans in 2008. FHA loans made up 5.2 percent of the lender's originations in 2008 and 6.7 percent in 2009. During the examination period, Leader Mortgage originated 148 FHA loans totaling \$43.9 million in Massachusetts.

Through MassHousing, Leader Mortgage offers FNMA and FHLMC Affordable Housing Programs. These are fixed-rate loans initially created by the Community Redevelopment Act to allow more people to qualify for and afford home financing. These flexible lending products offer financing to low- and moderate-income homebuyers and refinancing options for existing homeowners by offering little to no downpayment required and competitive fixed rate financing. The programs also include a variety of loan terms in addition to conforming 30 year loans. Homeowner education is required for some programs. FNMA programs offered include the *Community Homebuyer Program* and the *Flex 97% Loan Program*; FHLMC programs offered include the *Affordable Gold 97 Plus* and the *ALT 97Program*.

During the examination period, Leader Mortgage originated 8 loans for MassHousing totaling \$1.9 million.

### **IV. Fair Lending**

The Division examines a mortgage lender's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-103 and Regulatory Bulletin 5.3-101. The mortgage lender's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. The review included, but was not limited to, review of written policies and procedures, interviews with mortgage lender personnel, and individual file review.

Leader Mortgage's compliance with the laws relating to discrimination and other illegal credit practices was reviewed. The fair lending review was conducted in accordance the with Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures.

Leader Mortgage's President, along with consultants, provide training of federal and state regulations as needed. The President reviews Leader Mortgage's policies and procedures, program guidelines, and best practices with all employees and updates employees on any industry changes. All employees receive annual training on both federal and state fair lending laws as well as review Leader Mortgage's fair lending policies. Additional industry training is provided both internally and externally through web-based trainings and by third party consultants.

Upon conclusion of the Fair Lending review, the Division's examination found no evidence of disparate treatment.

## MINORITY APPLICATION FLOW

For 2008 and 2009, Leader Mortgage received 2,688 HMDA reportable loan applications from within the Commonwealth of Massachusetts. Of these applications, 896 or 33.3 percent were received from minority applicants, of which 793 or 88.5 percent resulted in originations. Leader Mortgage received 48 or 1.8 percent of HMDA reportable applications from ethnic groups of Hispanic origin within its assessment area, of which 39 or 81.3 percent were originated.

The minority population in the Commonwealth is at 18.1 percent. Leader Mortgage's level of lending was compared with that of the aggregate's lending performance levels for the most recent year for which data was available, the year 2008, and the area's demographics. In 2008, the lender received a total of 34.9 percent of its applications from racial minorities, which was significantly above the aggregate at 8.4 percent. The lender also received 2.2 percent of its applications from ethnic minorities, which was below the aggregate at 4.7 percent.

Refer to the following table for information on the mortgage lender's minority application flow as well as a comparison to the aggregate lenders throughout the Commonwealth of Massachusetts. The comparison of this data assists in deriving expectations for the rate of applications the mortgage lender received from minority applicants.

MINORITY APPLICATION FLOW								
RACE	Leader Mortgage 2008		Aggregate Data 2008		Leader Mortgage 2009		Aggregate Data 2009	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	3	0.4	688	0.2	1	0.1	730	0.2
<i>Asian</i>	210	30.4	11,608	3.5	603	30.2	19,944	4.1
<i>Black/ African American</i>	9	1.3	11,753	3.5	10	0.5	10,024	2.0
<i>Hawaiian/Pac Isl.</i>	0	0.0	641	0.2	3	0.1	554	.1
<i>2 or more Minority</i>	0	0.0	280	0.1	0	0.0	230	.1
<i>Joint Race (White/Minority)</i>	19	2.8	3,182	0.9	38	1.9	4,939	1.0
<b>Total Minority</b>	<b>241</b>	<b>34.9</b>	<b>29,157</b>	<b>8.4</b>	<b>655</b>	<b>32.8</b>	<b>36,421</b>	<b>7.5</b>
<i>White</i>	443	64.1	234,195	69.6	1,251	62.6	340,923	69.5
<i>Race Not Available</i>	7	1.0	73,034	22.0	91	4.6	112,611	23.0
<b>Total</b>	<b>691</b>	<b>100.0</b>	<b>336,386</b>	<b>100.0</b>	<b>1,997</b>	<b>100.0</b>	<b>489,955</b>	<b>100.0</b>
<b>ETHNICITY</b>								
<i>Hispanic or Latino</i>	13	1.9	13,255	3.9	16	0.8	11,445	2.3
<i>Not Hispanic or Latino</i>	672	97.2	246,131	73.2	1,826	91.4	361,096	73.7
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	2	0.3	2,646	0.8	17	0.9	3,653	0.8
<i>Ethnicity Not Available</i>	4	0.6	74,354	22.1	138	6.9	113,761	23.2
<b>Total</b>	<b>691</b>	<b>100.0</b>	<b>336,386</b>	<b>100.0</b>	<b>1,997</b>	<b>100.0</b>	<b>489,955</b>	<b>100.0</b>

Source: 2000 U.S. Census Data

Leader Mortgage's 2008 and 2009 performance was above the aggregate's performance for racial minority applicants and below the aggregate's for ethnic minority applicants. Leader Mortgage's minority application flow is good when compared to the aggregate's lending performance levels and the demographics of Massachusetts.

## **V. *Loss of Affordable Housing***

This review concentrated on the suitability and sustainability of mortgage loans originated by Leader Mortgage by taking into account delinquency and default rates of the mortgage lender and those of the overall marketplace. Information provided by the lender was reviewed as were statistics available on delinquency and default rates for mortgage loans. Additionally, individual mortgage loans were tracked for their status through local Registries of Deeds and other available public records of foreclosure filings.

An extensive review of information and documentation, from both internal and external sources as described above, did not reveal lending practices or products that showed an undue concentration or a systematic pattern of lending, including a pattern of early payment defaults, resulting in the loss of affordable housing units. Further, delinquency rates were found to be consistent with industry averages.

### **SERVICE TEST**

The service test evaluates a mortgage lender's record of helping to meet the mortgage credit needs in the Commonwealth by analyzing both the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products; the extent and innovativeness of its community development services; and loss mitigation services to modify loans or otherwise keep delinquent home loan borrowers in their homes. Community development services must benefit the Commonwealth or a broader regional area that includes the Commonwealth.

Leader Mortgage's Service Test performance was rated as "Needs to Improve".

#### **Mortgage Lending Services**

Leader Mortgage provides an effective delivery of mortgage lender services that are accessible to geographies and individuals of different income levels in the Commonwealth. Customers can apply to Leader Mortgage for a mortgage over the telephone and via the company's website or at the main location. Leader Mortgage's main office is located at 180 Massachusetts Avenue in Arlington and is situated in a middle-income geography.

Business development relies primarily on referrals and repeat customers. Leader Mortgage does minimal advertising in Massachusetts.

Leader Mortgage sub-services loans sold directly to Fannie Mae through Bank of Newport. Serviced loans made up less than 10 percent of Leader Mortgage's originations during the examination period. An evaluation of loans in loss mitigation and the lender's modification efforts were reviewed during the examination. Lending practices and products did not show an undue concentration or a systematic pattern of lending resulting in mortgage loans that were not sustainable.

#### **Community Development Services**

A community development service is a service that:

- (a) has as its primary purpose community development; and
- (b) is related to the provision of financial services, including technical services

The Commissioner evaluates community development services pursuant to the following criteria:

- (a) the extent to which the mortgage lender provides community development services; and
- (b) the innovativeness and responsiveness of community development services.

The Chief Executive Officer of Leader Mortgage is currently serving as a member of the Fannie Mae Regional Advisory Council and was also recently appointed by the Governor as a member of the Massachusetts Home Ownership Advisory Committee.

### **Educational Seminars**

During the examination period, Leader Mortgage sponsored one First Time Home Buyer Seminar. The seminar was held on March 10, 2008 in Belmont, Massachusetts. Topics covered by Leader Mortgage's CEO and a loan officer included the mortgage process, appraisals, credit report and income and expense ratios.

### **Qualified Investments**

A Qualified Investment for the purposes of this MLCI evaluation is a lawful investment, deposit, membership share, or grant that has as its primary purpose community development. The evaluation considered (1) the number of investments and grants, (2) the extent to which community development opportunities have been made available to the institution, and (3) the responsiveness of the institution's community development grants to the assessment area's needs.

### ***Contributions***

Leader Mortgage made two qualified donations during calendar years 2008 and 2009 totaling \$3,000 to an organization which promotes education to low- and moderate-income individuals within the Commonwealth of Massachusetts.

## PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 255E, Section 8, and 209 CMR 54.00, the Mortgage Lender Community Investment (MLCI) regulation, requires all mortgage lenders to take the following actions within 30 business days of receipt of the MLCI evaluation of their mortgage lender:

- 1) Make its most current MLCI performance evaluation available to the public;
- 2) Provide a copy of its current evaluation to the public, upon request. Leader Mortgage is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the mortgage lender's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. Leader Mortgage is encouraged to include its response to the evaluation in its MLCI public file.

The Division of Banks will publish the mortgage lender's Public Disclosure on its website no sooner than 30 days after the issuance of the Public Disclosure.